

# *Unified Global Security: The Challenge Ahead*



**Internal Conspiracies  
and PIA**

**2013**



# Workshop Objectives

- Internal Conspiracies - Defined
- Gains, Motivation & Losses
- Conspiracy Indicators
- Case studies
  - Airport
  - Seaport
- Suspensions
- What is a PIA?

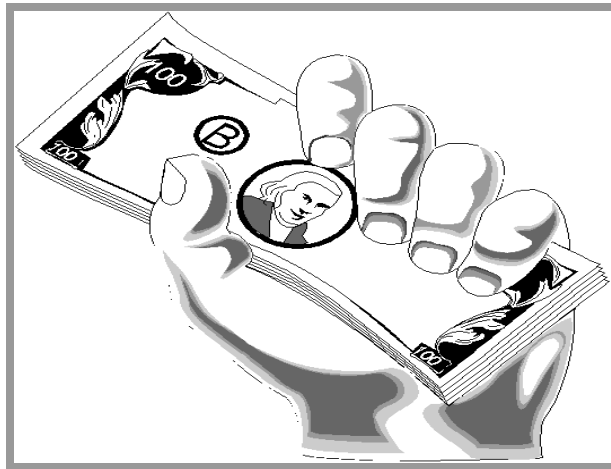
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# Internal Conspiracies

- Definition - when **people** work **together** by agreement to commit an illegal act. A conspiracy may exist when the parties use legal means to accomplish an illegal result, or to use illegal means to achieve something that is unlawful.
- What are the respective gains, motivations and losses?
  - Money is the main motivator for the internal conspirator. For relatively “easy” work (removal, delivery, lookout) the reward is substantial.



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# Internal Conspiracies Gains, Motivation and Losses

- Gains:
  - Average price of illegal narcotics
    - Marijuana: \$600 to \$1,500 per pound (Hawaii-\$6,000 to \$8,500)
    - Cocaine - \$15,000 to \$25,000 per kilo (Hawaii-\$26,000 to \$50,000)
    - Heroin: \$35,000 per kilo
  - Annual illegal drug market – 20.8 to 48.8 billion dollars
  - Weapons/Ammunition going outbound to Drug Trafficking Organizations (DTOs) and/or terrorist factions (assault weapons, grenade launchers & weapons of mass destruction)
  - Currency (proceeds of illegal activities) to front more acts of terrorism

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# Internal Conspiracies Gains, Motivation and Losses

- Risk of capture may be minimal – volume of trailer/container traffic from high risk areas, lack of Law Enforcement manpower, and companies afraid of retaliation from the DTOs.
- Loss of a shipment is considered minimal and viewed as a cost of doing business to the DTOs.
- Internal conspiracy is the cheapest and easiest method of smuggling.
- For you (legitimate business) – merchandise and containers/trailers/conveyances are used as vehicles by the DTOs with the result being financial loss and bad publicity.

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# Conspiracy Indicators

Conspirators (internal & external) may conduct surveillance and gather information about your facility and operations

- May take photographs (entrances, fencing, warehouse and hours of operation)
- Focus on the company's weak and/or non-existing security measures it has in place throughout the supply chain line (origin, transit, security and at destination – distribution center) to focus on the opportunity to initiate breach



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# Conspiracy Indicators

- By assessing the company's vulnerabilities – the conspirator can create the opportunity for the breach to occur. Transit routes and stops are of particular interest. Stow plans of the cargo will also allow for quick and easy access to introduce illegal contraband.
- Collect/gather information on employee schedules, work habits, off-duty social life, address, etc. The conspirators will focus on employees that have previous criminal records and/or weak in moral character.
- Internal conspirators may seek information about the company's security procedures. Will ask questions on how shipment routes are monitored, GPS system utilized, document routing, manifests, changing their work schedules in order to facilitate the breach, etc.
- Conspirators will target employees with a “need” to make money and those in financial distress. These employees are prime targets for recruitment by the conspirators. The weaker employees may end up working as “lookouts”.

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# Conspiracy Indicators

- Conspirators may use social engineering tools to gather information about the company and employees
- Make unusual inquiries about the cargo flow and method of shipment
- Attempt to access unauthorized systems in order to manipulate manifests, shipping documents, bill of lading, load plans, etc. Bogus information may be entered and/or altered in shipping documents in order to facilitate the introduction of unmanifested materials
- Probe the company's security:
  - May show up to work on day off
  - Enter restricted and/or unauthorized zones without proper access/identification
  - Drivers may stray off the authorized route to test GPS geo-fencing
  - Enter the warehouse with unauthorized personal items (backpacks, large gym bags, etc.)
  - Activate alarms and check for reaction time

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# Conspiracy Indicators

- Acquire company equipment:
  - Company uniforms, identification, access cards & codes to enter in sensitive areas
  - Stolen high-security seals and or disposed cut seals
  - Collecting company boxes/crates with branded logo to conceal the contraband



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# Conspiracy Indicators

- Company personnel should be on the lookout for suspicious people hanging around the facility – have your staff challenge and report unauthorized individuals to management



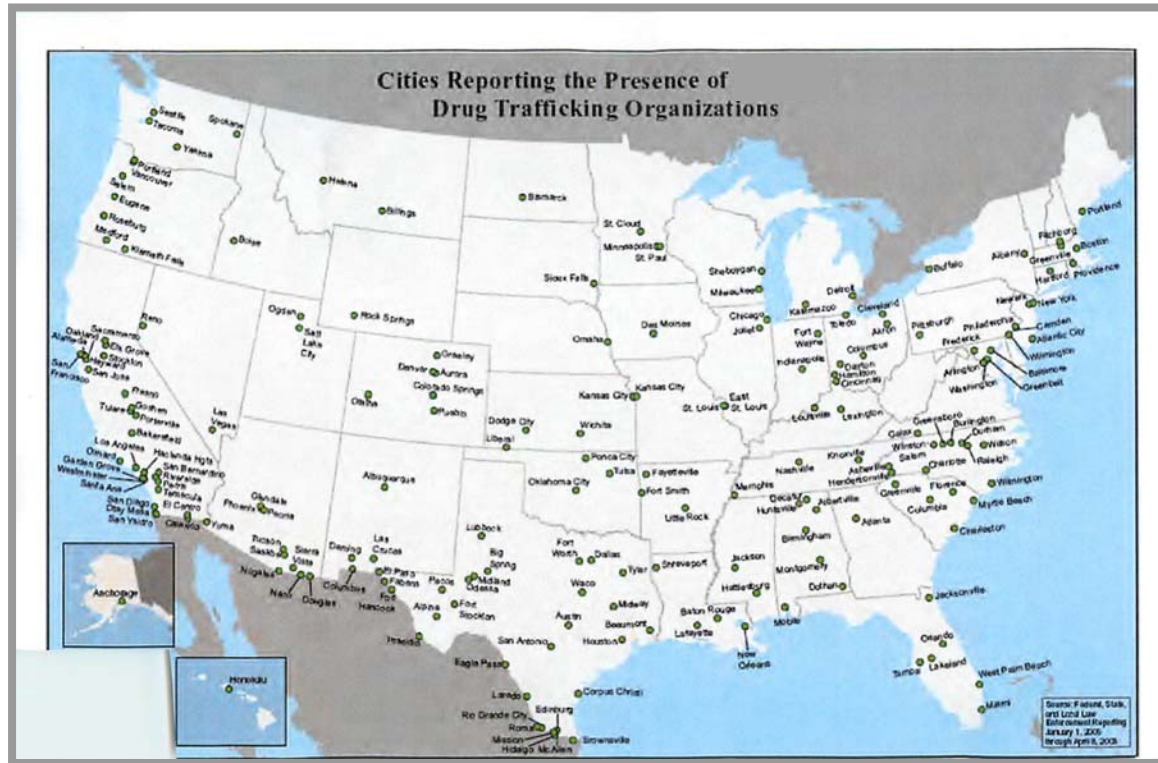
- “Dry-run” or Test
  - May ship an un-related item with legitimate cargo
  - Entering false information in the documents such as a bogus address, name, “fictitious” company, etc.
  - Attempting to pick-up cargo without appropriate documentation and identification
  - Unique markings on legitimate cargo boxes/crates

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- Identify the threat not only from the point of origin – but to destination:



- Identify areas that may pose a threat to your employees and supply chain security – employees may be targeted in the form of bribes and/or intimidation

# Case Study – Air Environment

## Scenario:

- Good airline company with many strong and adequate security measures in place throughout their supply chain to deter & prevent pilferage and breaches from occurring
- Corporate security team with many years of experience
- Upper management level support
- Standard operating procedures established throughout their international supply chain

## Events:

- Numerous breaches (narcotics) from several points of origin (Central & South America) to destinations in the US (Miami, Baltimore, Philadelphia and Washington)
- Company facing numerous fines & penalties from U.S. Customs as a result
- “The straw that broke the camel’s back” – airline captain discovered heroin packets concealed in pre-packaged coffee filters

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# Case Study – Air Environment

## Contributing Factors:

- Lack of management oversight & accountability
- Complacency
- Lack of inspectional techniques
- Not following company security policies & procedures
- Lack of physical access controls
- Lack of monitoring company equipment & assets

## Result

- Deeply entrenched internal and external conspiracy network which involved:
  - Cleaning crews – contraband concealed in lavatory, underneath seats, inside side panels
  - Caterers – contraband concealed within food carts
  - Mechanics – deeper concealment method utilizing aircraft compartments
  - Cargo/Baggage handlers – access to aircraft, cargo warehouse and baggage room
  - Security Personnel – serve as lookouts

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# Case Study – Air Environment

- How the drug smuggling conspiracy was “cracked”
  - Airline company worked closely with U.S. Customs to strategically problem solve the conspiracy
  - U.S. Customs worked closely with DEA and other law enforcement agencies
  - 58 people were arrested as a result of a 2 ½ -year investigation
    - 37 airline employees
    - 13 caterers
    - Five (5) external conspirators
    - Three (3) law enforcement officials to include one (1) government employee

Two separate operations were conducted:

- Operation Ramp Rats & Operation Sky Chefs

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# Operation Ramp Rats

- Information received by law enforcement on airline employees willing to smuggle drugs and/or circumvent security



- Undercover agents recruit predisposed airline employees and arrange to receive shipments



- U.S. Customs Agents arrange for sham drugs to be placed in luggage and or cargo



- Airline flights from Central & South America arrive in U.S. and met by corrupted employees waiting to divert drug shipments



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# Operation Ramp Rats

- Corrupt employees remove drugs from aircraft



- Corrupt employees deliver the sham drugs to undercover agents



- In total – the conspirators moved 640 pounds of cocaine and 17 pounds of heroin including the drugs hidden in the coffee filters



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# Operation Sky Chefs

- 14 pounds of heroin seized by U.S. Customs concealed in coffee packets on a food service cart in the galley



- U.S. agents initiated a multi-agency investigation of the catering service group employees willing to smuggle drugs and circumvent security
- Undercover agents recruit predisposed catering employees and arrange to receive shipments



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# Operation Sky Chefs

- Undercover agents arrange for sham heroin or cocaine to be placed on aircraft hidden in food service carts readily accessible to catering employees
- Flights from Central & South America arrive and are met by the corrupt catering employees waiting to divert the sham drug shipments
- Corrupt catering employees circumvent airport security and U.S. Customs to remove the contraband from the airport
- Catering employees remove the sham drugs or deliver the entire food cart to undercover agents

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# Concealment Photos

## Aircraft seats & side panels



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# Un-manifested baggage

## Total 190 pounds of cocaine



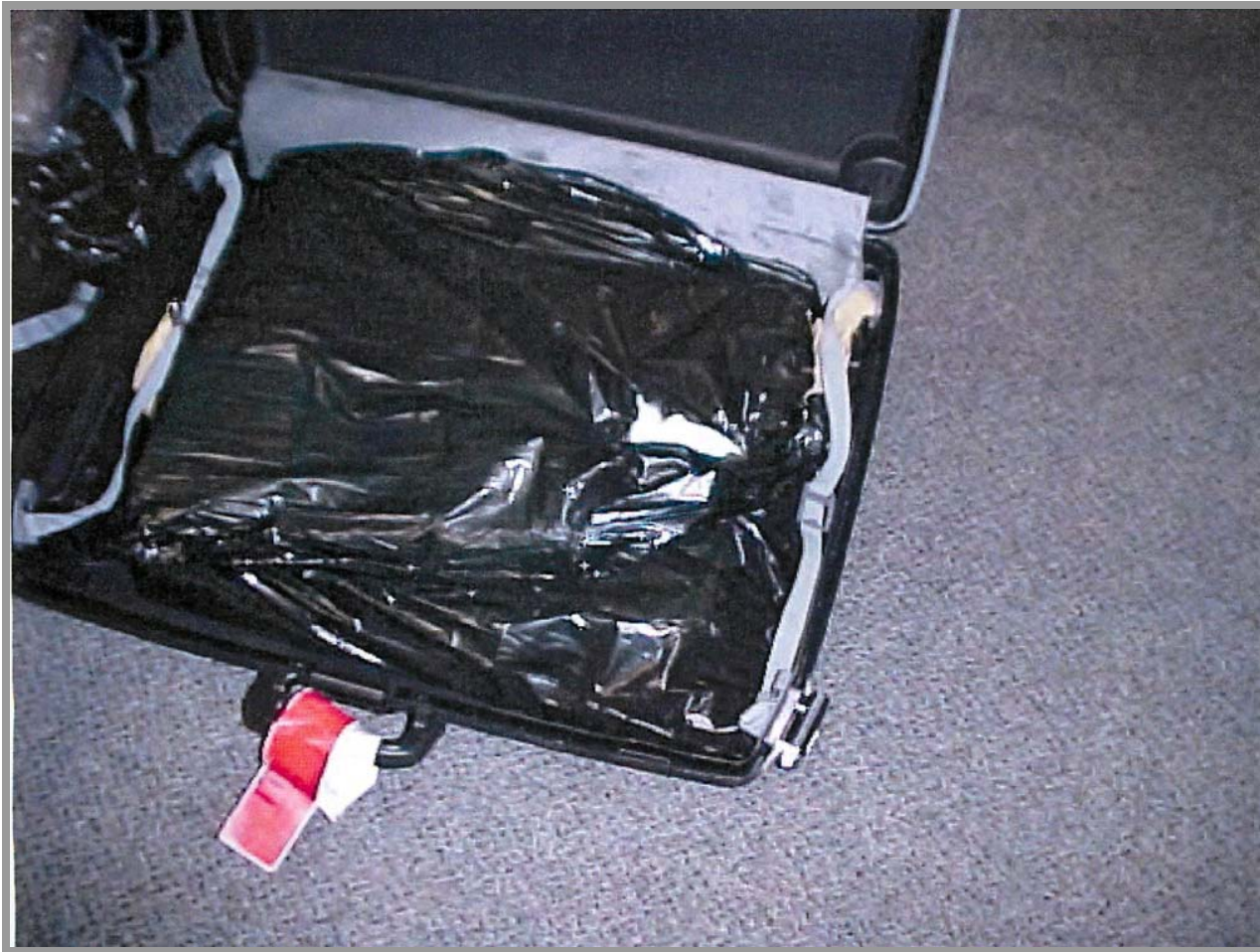
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# Un-manifested baggage Total 190 pounds of cocaine



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# Food Carts



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# Food Carts



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# Aircraft Cargo Section



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# Aircraft Cargo Section



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# Case Study – Sea Environment

## Scenario

- Container of “Electronics” arriving at the Port of Miami
- Shipment reviewed/ targeted by U.S. Customs:
  - Miami Contraband Enforcement Team (CET)
  - Manifest Review Unit (MRU)
- No U.S. Customs presence scheduled for vessel arrival
- Container scheduled for next day delivery to container exam station (Shed E)

## Events

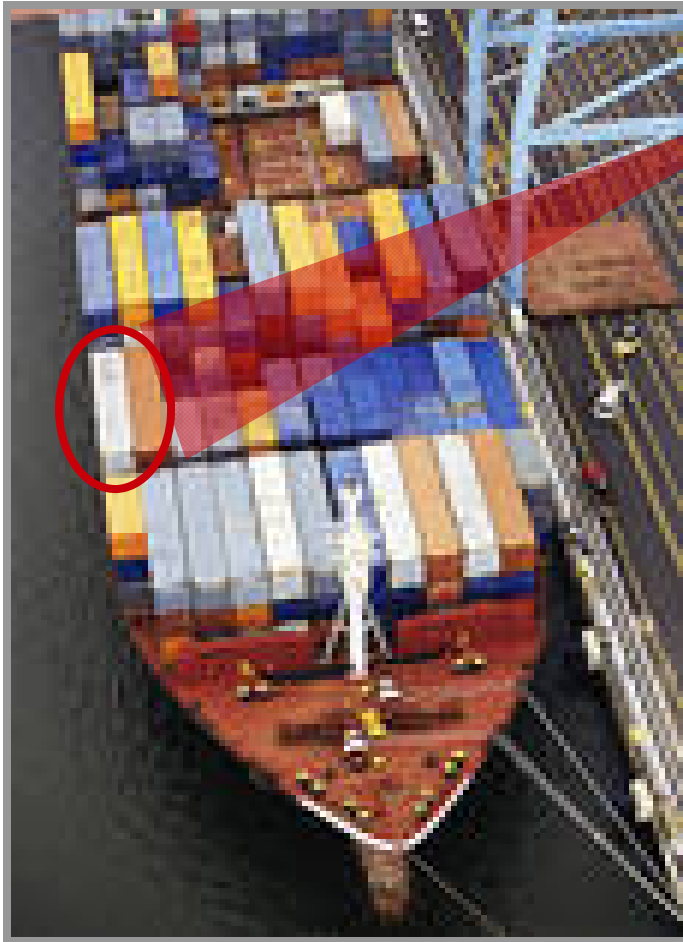
- Numerous narcotic seizures at the seaport from Central & South America
- Miami CET concerned with the methods being used to smuggle narcotics off the port
- Recent increase of “Rip-Off” narcotic loads:
  - **Rip-Off, Whip load** – Contraband commingled with a legitimate shipment
  - **Consignee load** – Shipment is imported with the intention of smuggling contraband
- Vessel arrives at night; Miami CET waiting for different vessel arrival
- Two CET Inspectors with knowledge about the container go onboard the vessel to conduct a spot check of the shipment

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# Case Study – Sea Environment



- Container was located on the vessel using the stow plan. **Bow – Waterside**
- U.S. Customs Inspectors cut the seal and opened the container
- Sitting on the floor was three duffle bags that contained 204 lbs. of cocaine
- Commingled inside with the cargo was eight large brown boxes that contained an additional 766 lbs. of cocaine
- The cocaine packages were wrapped in several layers of rubber making them “water proof” and intertwined with heavy duty rope – total cocaine 970 lbs.
- Analysis of the seal affixed to the container revealed it was tampered

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# Case Study – Sea Environment



- During the container search, a small pleasure boat approached the cargo ship
- The pleasure boat was a 24 foot open fisherman, no running lights, no hull markings & three individuals onboard
- The pleasure boat stopped next to the cargo vessel in direct line with the container that had the cocaine inside
- One of the individuals onboard the pleasure boat yelled up to the Inspector “Throw me down a TV”
- With no response from the Inspector, the pleasure boat sped off at a high rate of speed
- A few minutes later, the pleasure boat sped past the cargo vessel in the opposite direction with one of the individuals pointing at the Inspectors



# Case Study – Sea Environment



## Observations:

- Vessel unloading operations scheduled at night – limited visibility on waterside
- Container was purposely placed on the vessel in a location that can be easily accessed without being seen
- A Jacob's Ladder was discovered stored below the targeted container (vessel crew involvement)
- The 204 lbs. of cocaine in the three duffle bags was meant for payment (port worker and/ or crew)
- The 766 lbs. of cocaine commingled with the cargo was intended to go overboard
- Individuals on the pleasure boat would gaff/ hook the large sacks of cocaine via the heavy duty rope they were wrapped in
- This form of smuggling minimizes law enforcement detection during seaport/ main gate operations
- Later confirmed by an investigation, a network of foreign/ domestic port workers involved in this smuggling operation to include crew members

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# Case Study – Sea Environment



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# Suspensions

- Can be administrative or enforcement in nature
- Suspension could result in loss of benefits or the account (SVI)
- Depending on type of suspension, there may be collaboration between the Field Director, SCSS and the Program Director
- Some factors that may determine if/ type of suspension to take place:
  - Previous violations, Company cooperation, Nature of violation
- Communication is Key
- Access still granted to the portal for the review and uploading of documents

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# What is a PIA?

- Incident occurs (security breach, seizure, stowaway, etc.)
- Notification of incident should be made by the company to SCSS
- Post Incident Analysis (PIA) initiated by C-TPAT HQ
- Suspension of C-TPAT benefits during PIA process
- Internal investigation conducted by CBP/ company
- CBP conducts visits / joint investigation of incident
- Supply chain deficiencies found during investigation
- Actions required issued by CBP
- Corrective actions taken by company
- Evidence of implementation provided to CBP/ C-TPAT
- C-TPAT status/ benefits reinstated

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**QUESTIONS???**

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